

ORIGINAL

UNS Gas, Inc.

88 East Broadway Blvd., P.O. Box 711

HQE910

Tucson, AZ 85702-1720



0000169750

Melissa Morales
Regulatory Service Coordinator

(520) 884-3680
mmorales@tep.com

April 15, 2016

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2016 APR 15 PM 4:35

Re: UNS Gas, Inc.'s Request for Approval of Rider R-6 Lost Fixed Cost Recovery Tariff
Docket No. G-04204A-11-0158, Decision No. 73142 (May 2, 2012)

Pursuant to Decision No. 73142 (May 1, 2012) and Section 4 of UNS Gas, Inc.'s ("UNS Gas") approved Plan of Administration for Lost Fixed Cost Recovery ("LFCR"), UNS Gas hereby files the calculated annual LFCR adjustment, and supporting Schedules consisting of the following: 1) LFCR Annual Adjustment Percentage; 2) LFCR Annual Incremental Cap Calculation; 3) LFCR Calculation; 4) LFCR Test Year Rate Calculation; and 5) Delivery Revenue Calculation. Also attached is a clean and redlined copy of the UNS Gas Rider R-6 Tariff

UNS Gas respectfully requests that the Commission approve the LFCR rate of 0.0855% for implementation of the rate by July 1, 2016.

If you have any questions, please contact me at (520) 884-3680.

Best regards,

Melissa Morales
Regulatory Services

cc: Barbara Keene, ACC
Compliance Section, ACC

Arizona Corporation Commission
DOCKETED

APR 15 2016

DOCKETED BY	
-------------	--

LFCR

Schedules

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 1: LFCR Annual Percentage Adjustment Rate

Line No.	(A) Annual Percentage Adjustment	(B) Reference	(C) Totals
1	Total Lost Fixed Cost Revenue for Current Period	Schedule 2, Line 15, Column C	\$ 90,568
2	2015 Applicable Company Revenues	Schedule 2, Line 1, Column C	\$ 105,939,923
3	Percentage Adjustment Applied to Customer's Bills	(Line 1 / Line 2)	0.0855%

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 2: LFCR Annual Incremental Cap Calculation

Line No.	(A) LFCR Annual Incremental Cap Calculation	(B) Reference	(C) Totals
1	2015 Applicable Company Revenues		\$ 105,939,923
2	Allowed Cap %		1.00%
3	Maximum Allowed Incremental Recovery	(Line 1 * Line 2)	\$ 1,059,399
4	Total Lost Fixed Cost Revenue	Schedule 3, Line 18, Column C	\$ 95,933
5	Total Deferred Balance from Previous Period	Previous Filing, Schedule 2, Line 13, Column C	\$ -
6	Annual Interest Rate		
7	Interest Accrued on Deferred Balance	(Line 5 * Line 6)	\$ -
8	Total Lost Fixed Cost Revenue Current Period	(Line 4 + Line 5 + Line 7)	\$ 95,933
9	Lost Fixed Cost Revenue from Prior Period	Previous Filing, Schedule 2, Line 15, Column C	\$ 96,067
10	Lost Fixed Cost Revenue - Billed ¹		\$ 99,432
11	LFCR Balancing Account	(Line 9 - Line 10)	\$ (3,364)
11a	Prior Period corrections ²		\$ (2,001)
12	Total Incremental Lost Fixed Cost Revenue for Current Year	(Line 8 - Line 9 + Line 11 + Line 11a)	\$ (5,499)
13	Amount in Excess of Cap to Defer	(Line 12 - Line 3)	\$ -
14	Incremental Period Adjustment as %	{(Line 12 - Line 13) / Line 1}	-0.0052%
15	Total Lost Fixed Cost Revenue for Current Period	(Line 8 + Line 11 + Line 11a - Line 13)	\$ 90,568

1/ Amount billed to customers for the collection period of July 2015 through June 2016. Collections for March 2016 through June 2016 are estimated based on 2015 revenues during those same months.

2/ True up of previous filing's estimated collections from March 2015 through June 2015.

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 3: LFCR Calculation

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units
Residential				
<u>Energy Efficiency Savings</u>				
1	Current Period		7,610	therms
2	% of Residential Customers on Opt-Out		0.0%	
3	Excluded therms reduction	(Line 1 * Line 2)	-	therms
4	Net - Current Period	(Line 1 - Line 3)	7,610	therms
5	Prior Period	Previous Filing, Schedule 3, Line 6, Column C	204,825	therms
6	Cumulative Verified	(Previous Filing, Schedule 3, Line 6, Column C + Line 4)	212,435	therms
7	Total Recoverable EE Savings	Line 6	212,435	therms
8	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.3361	\$/therm
9	Residential - Lost Fixed Cost Revenue	(Line 7 * Line 8)	\$ 71,399.33	
Small Volume (Commercial & Public Authority)				
<u>Energy Efficiency Savings</u>				
10	Current Period		22,877	therms
11	Excluded therms reduction		-	therms
12	Net - Current Period	(Line 10 - Line 11)	22,877	therms
13	Prior Period	Previous Filing, Schedule 3, Line 14, Column C	63,572	therms
14	Cumulative Verified	(Previous Filing, Schedule 3, Line 14, Column C + Line 12)	86,449	therms
15	Total Recoverable EE Savings	Line 14	86,449	therms
16	Small Volume - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.2838	\$/therm
17	Small Volume - Lost Fixed Cost Revenue	(Line 15 * Line 16)	\$ 24,534.09	
18	Total Lost Fixed Cost Revenue	(Line 9 + Line 17)	\$ 95,933.42	

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 4: LFCR Test Year Rate Calculation

Line No.	(A) LFCR Fixed Cost Calculation	(B) Reference	(C) Totals
	Residential Customers		
1	Delivery Revenue	Schedule 5, Line 3, Column E	\$ 24,047,052
2	therms Billed	Schedule 5, Line 3, Column B	71,539,376
3	Lost Fixed Cost Rate	(Line 1 / Line 2)	\$ 0.3361
	Small Volume		
4	Delivery Revenue	Schedule 5, Line 6, Column E	\$ 9,429,053
5	therms Billed	Schedule 5, Line 6, Column B	33,228,683
6	Lost Fixed Cost Rate	(Line 4 / Line 5)	\$ 0.2838

UNS Gas, Inc.
Lost Fixed Cost Recovery Mechanism
Schedule 5: Delivery Revenue Calculation

(A) Line No.	(B) Rate Schedule	(C) Adjusted Test Year Billing Determinants	(D) Units	(E) Delivery Charge	(F) B x D Total Delivery Revenue
1	Residential Service (R-10)	66,743,461	therms	\$ 0.3434	\$ 22,919,705
2	Residential Service (R-12)	4,795,915	therms	\$ 0.2351	\$ 1,127,348
3	Subtotal	71,539,376	therms		\$ 24,047,052
4	Small Volume Commercial (C-20)	28,038,968	therms	\$ 0.2837	\$ 7,954,655
5	Small Volume Public Authority (PA-40)	5,189,714	therms	\$ 0.2841	\$ 1,474,398
6	Subtotal	33,228,683	therms		\$ 9,429,053

Note: Delivery charge for rate R-12 is the weighted average of 1,332,117 therms at \$0.3434 and 3,463,797 therms at \$0.1934

REDLINE



UNS Gas, Inc.

~~Second-Third~~ Revised Sheet No.: 706

Superseding ~~First-Second~~ Revised Sheet No.:
706

**Rider R-6
Lost Fixed Cost Recovery (LFCR)**

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all customers taking service from the Company on the following Standard Offer tariffs and as defined in the Company LFCR Plan of Administration. In the event a residential customer chooses to opt-out of this program, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the following per therm rate.

Residential Service R-10

Customer Assistance Residential Energy Support (CARES) R-12

Small Volume Commercial Service C-20

Small Public Authority Service PA-40

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Commission mandated Energy Efficiency programs. A percentage charge will be placed in effect and charged to the participating rate classes for a 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 1% of the Company's most recent Calendar Year Revenues for the participating Rate classes.

An LFCR charge of 0.09640855% will be applied to all monthly net bills.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire UNS Gas Service Area

Rate: R-6
Effective: August 1, 2015
Decision No.: 75173

CLEAN



UNS Gas, Inc.

Third Revised Sheet No.: 706

Superseding Second Revised Sheet No.: 706

**Rider R-6
Lost Fixed Cost Recovery (LFCR)**

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all customers taking service from the Company on the following Standard Offer tariffs and as defined in the Company LFCR Plan of Administration. In the event a residential customer chooses to opt-out of this program, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the following per therm rate.

Residential Service R-10

Small Volume Commercial Service C-20

Customer Assistance Residential Energy Support (CARES) R-12

Small Public Authority Service PA-40

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Commission mandated Energy Efficiency programs. A percentage charge will be placed in effect and charged to the participating rate classes for a 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 1% of the Company's most recent Calendar Year Revenues for the participating Rate classes.

An LFCR charge of 0.0855% will be applied to all monthly net bills.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire UNS Gas Service Area

Rate: R-6
Effective: August 1, 2015
Decision No.: 75173